

CHAPTER NO. 148

HOUSE BILL NO. 3352

By Representative Rhinehart

Substituted for: Senate Bill No. 3340

By Senator Elsea

AN ACT to amend Chapter 93 of the Private Acts of 1920, as amended, Chapter 740 of the Private Acts of 1925, Chapter 540 of the Private Acts of 1939, Chapter 136 of the Private Acts of 1949, Chapter 91 of the Private Acts of 1959, Chapter 36 of the Private Acts of 1999, and all other acts amendatory thereto, to authorize and empower the Richard City and Deptford Independent School District to issue and sell school bonds in an aggregate principal amount of not to exceed four million dollars (\$4,000,000); to provide the form and terms of the bonds; to authorize the refinancing of the bonds; to establish and provide for the payment of the bonds; to provide for the issuance, sale and payment of the bonds and the use and disposition of proceeds from the sale thereof; to provide for the pledge, levy and collection of taxes to pay principal of, premium, if any, and interest on the bonds; and to authorize the issuance of notes in anticipation of the issuance and sale of the bonds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Richard City and Deptford Independent School District, located in Marion County, Tennessee (the "District"), created by Chapter 93 of the Private Acts of 1920 (Extraordinary Session) of the State of Tennessee, as amended by Chapter 740 of the Private Acts of 1925, Chapter 540 of the Private Acts of 1939, Chapter 136 of the Private Acts of 1949, Chapter 91 of the Private Acts of 1959, Chapter 36 of the Private Acts of 1999, and all other acts amendatory thereto, if any, (the "Act of Incorporation") is hereby authorized and empowered to issue and sell, by resolution of the board of trustees of the district, bonds in the aggregate principal amount of not to exceed four million dollars (\$4,000,000) for the purpose of providing funds for the:

(1) Construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the district, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, and the purchase of school buses and school transportation equipment;

(2) Funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bonds as the board of trustees of the district shall determine;

(3) Payment of interest on the bonds during the period of construction and for six (6) months thereafter; and

(4) Payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of the bonds.

SECTION 2. The bonds may be sold in one or more series, may bear such date or dates, shall mature at such time or times, not exceeding thirty (30) years from their respective dated dates, may bear interest at a zero (0) rate or at such other rate or rates (which may vary from time to time), may be payable at such time or times, may be in

such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium and may provide for the replacement of mutilated, destroyed or lost bonds, all as may be provided by resolution of the district's board of trustees. The bonds shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the district's board of trustees, but in no event shall the bonds be sold for less than ninety-eight percent (98%) of par plus accrued interest (or, if all or any part of such bonds is to be sold at a zero (0) rate of interest or at an original issue discount, such bonds may be sold at not less than ninety-eight percent (98%) of the original reoffering price of such bonds, plus accrued interest). In connection with the issuance of the bonds, the district may authorize and enter into interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, and other interest rate hedging agreements under such terms and conditions as the board of trustees may determine, including, without limitation, provisions permitting the district to pay to or receive from any person or entity any loss of benefits under any such agreement upon early termination thereof or default thereunder. The board of trustees of the district is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bonds and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the board of trustees shall deem necessary or desirable.

SECTION 3. The bonds shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the district's board of trustees authorizing the bonds.

SECTION 4. The property tax currently being levied within the boundaries of the district for the benefit of the district pursuant to Chapter 136 of the Private Acts of 1949, and any acts amendatory thereto, for supporting and maintaining schools and school property of the district shall continue to be levied for the additional purpose of paying principal of and interest and any redemption premiums on the bonds herein authorized and any other indebtedness of the district. The board of trustees is hereby authorized to pledge such taxes levied on taxable property located within the boundaries of the district as necessary to pay the principal of and interest and any redemption premiums on the bonds and any other indebtedness of the district, being a portion of the existing taxes, and not an increase therein. The taxes shall be annually extended and collected by the County Trustee of Marion County, Tennessee, in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes. The rate established pursuant to Chapter 136 of the Private Acts of 1949, as amended, as continued hereunder may be adjusted from time to time in accordance with the procedure set forth in Tennessee Code Annotated, Section 67-5-1704, relating to county-wide reappraisal. In addition, in the event the total assessed value of all property subject to the tax hereinabove described declines by more than ten percent (10%) from January 1 of any year to January 1 of the next succeeding year or declines by more than fifteen percent (15%) from January 1 of any year to January 1 of the second succeeding year thereafter, at the request of the board of trustees, the county assessor of property shall certify to the county trustee and the board of trustees the total assessed value of taxable property within the district and furnish the county trustee and the board of trustees an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of this information and certifications, the county trustee shall adjust the tax rate established herein to an adjusted rate which is estimated to provide to the district the same tax revenue as was provided by the tax in the base year, exclusive of such new construction, improvements and deletions, in accordance with the policies established by the State Board of Equalization pursuant to Tennessee

Code Annotated, Section 67-5-1701(b), or any successor thereto. These taxes shall be used exclusively to pay principal and interest any redemption premium on the bonds authorized herein and any other indebtedness of the district as they become due, to maintain debt service fund balances and to pay costs of operating and maintaining schools of the district. In the event the property taxes and such other funds as shall be pledged to the payment of the indebtedness of the district are not sufficient to pay principal thereof and interest thereon when due, the district shall apply funds from operations or other available funds of the district to the payment thereof. Any surplus arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the district may be used, at the discretion of the board of trustees of the district, for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school building and facilities, and additions thereto, in and for the district, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, and the purchase of school buses and school transportation equipment and all other operations and maintenance of schools in the district.

SECTION 5. The board of trustees is authorized to pledge to the payment of the bonds all or a portion of:

(1) Any funds received by the district under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351 et seq., and related sections;

(2) Its share of the local option sales and use tax now or hereafter levied and collected in Marion County Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712; and

(3) Any other funds received from the State of Tennessee, or any of its authorities, agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 6. The bonds, and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The district is further authorized, by resolution of the board of trustees, to borrow money and issue its bonds for the purpose of refunding the bonds authorized herein, at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof.

SECTION 8. the district is further authorized, by resolution of the board of trustees, to issue and sell notes of the district in anticipation of the issuance of the bonds authorized herein. the notes may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding three (3) years from their respective dated dates, may bear interest at such other rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium and may provide for the replacement of mutilated, destroyed or lost notes, all as may be provided by resolution of the district's board of trustees. The notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the board of trustees. The board of trustees of the district is authorized and empowered to do and perform all acts and enter into all

agreements which may be necessary or desirable in connection with the issuance and sale of the notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the board of trustees shall deem necessary or desirable.

SECTION 9. Section 2 of Chapter 36 of the Private Acts of 1999 is hereby amended by adding the following sentence to the end of Section 2.

No further debt or other obligations shall be issued under the provisions of this section after April 30, 2000.

SECTION 10. If any provision(s) of this Act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this act and the application of such provisions shall not be affected thereby, shall be enforced to the greatest extent permitted by law and are declared to be severable.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 25, 2000


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this day of 2000

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had House Bill No. 3352 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.